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WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

October 8, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Subject: **MOTION ON IHSS - CIVIL GRAND JURY RECOMMENDATION
(ITEM NO. 21, OF SEPTEMBER 2, 2008)**

Board of Supervisors
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First District

YVONNE B. BURKE
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MICHAEL D. ANTONOVICH
Fifth District

Pursuant to the September 2, 2008, Board Motion, I am reporting back on three issues concerning the In-Home Supportive Services Program (IHSS) in the Department of Public Social Services (DPSS).

1. A full review of the Advance Payee program.

Typically, IHSS provider payments are paid directly to the providers after services are provided. State regulation allows IHSS consumers who are severely impaired to be eligible for advance pay, which issues a payment to the consumer at the beginning of each service month, thereby allowing the consumer to pay their provider at the time services are provided. Although there are currently only 160 advance payee cases out of the total 174,000 consumers, we will be pursuing legislative action to terminate this option.

2. Exploration of innovative technology strategies that would streamline the paper-based timesheet payment system.

DPSS has explored technological solutions for improvements to the IHSS paper-based timesheet payment system. DPSS intends to implement a document scanning solution to enhance timesheet storage and retrieval.

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Each Supervisor
October 8, 2008
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We believe this solution will provide a significant workload reduction, as well as operational efficiencies. A new and enhanced Case Management Information and Payrolling System (CMIPS II) is currently in development at the State, and will replace the current CMIPS legacy system which is scheduled for implementation in Los Angeles County in January 2011. At that time, timesheet processing will be centralized at the State level eliminating the current requirement of manually processing 300,000 timesheets per month. In the interim, DPSS has reassigned data entry clerks to augment processing efficiencies.

3. **Convening of a special workgroup, to include the State Department of Social Services, State Department of Health Care Services, the Social Security Administration and the District Attorney, to discuss and make recommendations on strategies to mitigate potential fraud in the IHSS program; and to address any pertinent changes in State regulations to facilitate this.**

On August 26, 2008, DPSS hosted the first multi-agency "IHSS Fraud Roundtable" with representatives from California Department of Social Services, California Department of Health Care Services, Social Security Administration, Department of Justice, and the District Attorney. The purpose of the meeting was to bring together all of the principal agencies that interface with IHSS to dialogue strategies and best practices to deter and detect fraud and to develop concrete "action items." Twenty-nine recommendations were produced from this collaborative effort, as well as a commitment to meet quarterly to pursue implementation and or legislative/statutory remedies.

Operationally, DPSS has taken the following steps to improve IHSS program integrity:

1. Reinforced the centralized fraud referral process;
2. Published additional guidelines to IHSS staff on fraud referral procedures; and
3. Implemented a monthly fraud referral reconciliation report with the State.

The attached fact sheet was discussed with your deputies on October 8, 2008.

I will provide you with the first quarterly report in January 2009.

WTF:SRH:MS
GP:JB:cvb

c: Executive Officer, Board of Supervisors
County Counsel
Department of Public Social Services
Auditor-Controller

Attachment

Grand Jury – IHSS.doc



County of Los Angeles
Department of Public Social Services



PHILIP L. BROWNING
Director

SHERYL L. SPILLER
Chief Deputy

IHSS FRAUD

BACKGROUND

In early July 2008 the FY 2007-2008, Civil Grand Jury Report entitled, "In-Home Supportive Services Fraud: Problems and Opportunities" was released. The report made 16 recommendations which "could lead to better management of the IHSS Program"; particularly geared to the reduction of fraud.

On July 25, 2008, DPSS submitted to the CEO's Office a detailed response to each of the 16 Civil Grand Jury recommendations. While we did not agree with the vast majority of findings and recommendations, we did concur that a number of recommendations merited further review and evaluation. We also recognized the need to enlist the collective partnership of those agencies throughout the State and County who play a key role in this area.

IHSS FRAUD ARRESTS

On July 24, 2008, the District Attorney arrested 20 individuals suspected of IHSS fraud. The following represents the highlights of the arrests:

- Of the 20 cases, 18 were single cases and 2 were multiples.
- Of the 20 cases, 16 individuals were arrested and released on bail.
- Of the 20 cases, 12 fraud referrals had been initiated by IHSS Social Workers, 6 were referred by the Welfare Fraud section, 1 was referred by SSA and 1 was referred by CDHCS.
- The IHSS Provider was seen by the SW in 11 cases.
- Three cases were discovered through the Death Match.
- Total money loss \$2,061,000
IHSS loss \$843,000
Medi-Cal & SSA loss \$1,218,000
- Range of authorized provider service hours: 45 to 291 per month.
- Case Status:
10 cases were closed
6 cases were closed due to arrests
4 cases remain open and eligible

- The highest money loss case: \$417,513
The lowest money loss case: \$3,885
- Recurring "fraud profiles":
 - 1) Providers had died and Consumers falsified timesheets and cashed the checks (3 cases).
 - 2) Consumer had died and Provider (daughter) "forgot" to tell us and cashed the checks (1 case).
 - 3) Consumers fabricated fictitious Providers (3) and Consumer and Provider were the same person.
 - 4) Consumer "created" bogus disability; schizophrenia.

CORRECTIVE ACTION STRATEGIES

On August 26, 2008, DPSS hosted the first multi-agency "IHSS Fraud Roundtable" with representatives from the DA, Social Security Administration, Department of Justice, California Department of Health Care Services (CDHCS) and the California Department of Social Services (CDSS). The purpose of the meeting was to bring together all of the agencies engaged in the area of IHSS fraud to dialogue strategies & best practices and to develop concrete proposed "action items".

This networking resulted in the development of 29 "action items" which have now been sent back to the participants to prioritize, designate lead agencies and stipulate as to "policy, statute or regulatory" requirement should they be adopted for consideration.

In the interim, DPSS had taken the following steps internally to strengthen our diligence in this area:

- Reinforced our centralized fraud referral process.
- Published additional guidelines to IHSS staff on fraud referral procedures.
- Implemented a monthly fraud referral reconciliation report (admin).
- Developing fraud enhancement training for all IHSS Social Workers.
- Committed to the continuation of the formal interagency network launched in August 2008.

IHSS FRAUD PREVENTION STRATEGIES

I. Strategies for Immediate Implementation

1. Schedule quarterly meetings with local, State and County departments engaged in IHSS efforts (CDHCS, CDSS, DOI, SSA, DA).

LEAD: DPSS

2. Provide more focus training to IHSS staff on fraud detection/high risk profiles.

LEAD: DPSS/State

3. Reissue policy instructions to IHSS staff regarding: non-response to letters by providers/consumers.

LEAD: DPSS

4. Centralize all DPSS employee/provider cases regionally.

LEAD: DPSS

5. Develop mechanism to share results of all IHSS fraud referrals with staff.

LEAD: DPSS

6. Develop specialized training for all IHSS Provider Clerks on timesheet irregularities/potential fraudulent behavior.

LEAD: DPSS

II. Strategies to Reduce Caseload Growth / Maximize Fraud Prevention / Detection

1. Amend IHSS State regulation to require all providers to be seen at the home by IHSS Social Workers at initial application and annual reassessment.

LEAD: DPSS/CDHCS

2. Develop interface between DPSS and Registrar-Recorder to generate "Death Match" reports for consumers/providers.

LEAD: DPSS/Registrar-Recorder

3. Seek State approval to investigate IHSS fraud locally by DA.

LEAD: DPSS/DA

4. Seek State legislation to eliminate Advance Payment cases.

LEAD: DPSS

5. Improve timely receipt of matching reports on data from skilled nursing facilities.

LEAD: DPSS/DHS

6. Seek regulatory change to require proof of identification and social security number for all consumers and providers.

LEAD: DPSS/CDHCS



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October 31, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
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From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE - COUNTY-SPONSORSHIP LEGISLATION

The purpose of this memorandum is to report on County-sponsored legislation, which the Sacramento advocates will pursue, consistent with Board policy, in the 2009-10 Legislative Session. In the budget arena, the Sacramento advocates will continue to focus on the preservation and restoration of State funding.

There are 14 proposals for County-sponsorship or co-sponsorship in the 2009-10 Legislative Session. The proposals are consistent with prior sponsorship of similar legislation, Board action or Board policy. Four of the proposals are initiatives continued from the 2007-08 State Legislative Session, five are the result of Board motions, and the remainder are new sponsorship proposals. Other proposals may emerge based on Board Motions, further discussions with departments, or events in Sacramento.

Prior Sponsorship

Emancipated Foster Youth (Board Motion - January 9, 2007)

We will pursue County-sponsored legislation to provide enhanced services and financial support to emancipated foster youth between the ages of 18 and 21 years of age.

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In 2007, County-sponsored AB 713 (Maze) was introduced with intent language. During the year, the Sacramento advocates worked with the author's office, the County Welfare Directors Association (CWDA), the John Burton Foundation, legislative staff and child welfare advocates to develop specific proposals which were to be amendments to AB 713 or introduced as alternative legislation in early 2008. However, in light of the Governor's proposed budget for FY 2008-09, which would have significantly reduced funding for Child Welfare Services, the author, the Department of Children and Family Services (DCFS), CWDA, and the Sacramento advocates determined that it would not be prudent to pursue alternative legislation in 2008.

The County's Sacramento advocates continued to work with child welfare advocates to explore alternative proposals to provide services for emancipated foster youth. Additionally, HR 6893, the Federal Fostering Connections to Success and Increasing Adoptions Act of 2008, which extends foster care to youths up to 21 years of age, will affect the development of this legislative proposal. Based on the provisions of this new Federal law, DCFS will work with CWDA, the John Burton Foundation, and the Sacramento advocates to develop State legislation for introduction in the 2009-10 Legislative Session.

Funding Local and Regional Watershed Projects (Board Motions – September 13, 2005 and August 7, 2007)

We will pursue County-sponsored legislation to allow counties, flood control districts, and other public agencies to implement storm water fees, upon voter approval and/or consistent with the requirements of Proposition 218, to fund clean water programs.

Storm water and urban runoff drain into the flood control system, waterways, and ultimately into the ocean with virtually no treatment. The County, the City of Los Angeles, and other cities within the County are seeking to construct local and regional watershed management projects that can remove pollutants from runoff and also provide other benefits such as water reuse and storage, recreation opportunities, flood control, open space and habitat restoration, which are essential to ensure a healthy environment for our residents.

County-sponsored legislation AB 564 (Brownley) passed the Assembly, but the measure was placed on the Senate Inactive File to avoid the adoption of amendments that were inconsistent with Board policy.

Plastic Carryout Bags (Board Motion – January 22, 2008)

We will pursue County-sponsored legislation to impose fees on plastic carryout bags for litter prevention, to reduce consumption of plastic carryout bags, and to increase recycling of used plastic carryout bags.

On January 22, 2008, the Board instructed the Chief Executive Office to sponsor or pursue legislation to: 1) repeal the provision of AB 2449 (Chapter 845, Statutes of 2006), which prohibits local governments from imposing a fee on plastic carryout bags at supermarkets and retail stores; 2) implement a Statewide fee on plastic bags, with the provision that the funds would be directed to local governments on a per-capita basis for litter prevention and source reduction efforts, or establish Statewide benchmarks to reduce the consumption of plastic carryout bags and increase at-store recycling of plastic bags; and 3) amend provisions of AB 2449 to require an environmental awareness message to be imprinted on each plastic carryout bag describing the negative impacts that littered plastic carryout bags have on the environment and wildlife, and the need to use reusable bags.

County-sponsored AB 2829 (Davis) was introduced in accordance with the Board motion. However, because the Legislature insisted on considering only one plastic carryout bag bill, AB 2829 was merged with AB 2058 (Levine). Ultimately, Assemblymember Levine pursued separate legislation in AB 2769, which contained provisions, which were inconsistent with the County policy. All three bills, AB 2829, AB 2058, and AB 2769, failed passage. Therefore, the County will pursue legislation in the 2009-10 Legislative Session on plastic carryout bags consistent with the Board Motion.

Documentary Transfer Tax Proposal (Board Motion – October 30, 2007)

We will pursue County-sponsored legislation to improve the process for Documentary Transfer Tax (DTT) enforcement, including but not limited to: 1) authorization to develop a mechanism for sharing information between the State Board of Equalization and County Recorders, which could assist in the discovery of undisclosed transactions; and 2) extend the statute of limitations on DTT enforcement to all counties to allow additional time to pursue transfer tax collections.

Pursuant to State law, when real property is conveyed or transferred, the County is authorized to levy a transfer tax. Generally, the transfer tax is paid at the time that a deed is recorded with the Registrar Recorder/County Clerk (RR/CC). However, properties may be transferred by change of ownership with a business entity, not by deed. For example, a corporation or partnership may transfer controlling interests in

portfolios and not record a deed. In these cases, the RR/CC does not become aware of such transactions and consequently, the corporation does not pay the taxes mandated by law. The current statute of limitations places restrictions on how long the County has to collect the transfer tax.

The County considered seeking DTT legislation in 2007; however, discussions among the Sacramento advocates, Board offices, County Counsel, and the CEO Operations Cluster, and pass lack of legislative interest in pursuing this subject, led to the conclusion that the proposal would not be received favorably in Sacramento at that time.

Board Motions to Pursue County-Sponsored Legislation

Retention of Unspent Child Care and Development Funds (Board Motion – March 8, 2008)

We will pursue County-sponsored legislation to allow the retention of unspent child care development funds in Los Angeles County.

On March 5, 2008, the Board instructed the Chief Executive Office to provide a recommendation for structuring child care policy and directed the Sacramento advocates to explore the feasibility of retaining unspent child care and development funds locally. Based on estimates provided by the Office of Child Care, local child care and development providers returned \$162 million in unspent funding to the State over a three-year period. The Board seeks to retain these funds in the County to expand full-day, full-year child care and development programs to meet the needs of children and families in the County.

AB 1279 (Chapter 759, Statutes of 2008), the 2008 Human Services Budget Trailer bill, requires the California Department of Education to promote full utilization of child care and development funds and to match available unused funds with identified services needs. The Chief Executive Office will monitor implementation of AB 1279 to determine if the measure allows the County to retain unspent child care and development funds.

Sex Offender Registration (Board Motion – April 22, 2008)

We will pursue County-sponsored legislation to strengthen existing law to ensure that licensed foster and child care providers report registered sex offenders on or near their facilities, and to facilitate county access to State criminal data base information.

In April 2008, the California State Auditor released a report entitled, "Sex Offender Placement." It found that of the 75,000 community care facilities licensed by the California Community Care Licensing Division, the addresses of 49 registered sex offenders matched those of 46 licensed facilities Statewide, including foster and child care facilities. Of these facilities, eight were located in Los Angeles County. All of the facilities were immediately inspected and investigations revealed no incidents of child abuse. On April 22, 2008, the Board instructed the Chief Executive Officer to work in conjunction with the Directors of the Departments of Children and Family Services and Public Social Services, and the County's Sacramento advocates to seek legislation to impose civil or criminal penalties on licensed foster and child care providers who allow and/or fail to report registered sex offenders on or near their facilities.

Automated System for Sharing Client Information (Board Motion – June 24, 2008)

We will pursue County-sponsored legislation to address prohibitions against information sharing between agencies.

In June 2008, a five year-old child, who had contact with several County departments, was found to have been severely abused by his mother and another woman. In response to this case, the Board of Supervisors instructed the Chief Executive Office, in conjunction with the County Departments of Children and Family Services, Health Services, Mental Health, Probation, Public Health – Alcohol and Drug Services, Public Social Services, and State and local law enforcement agencies to develop recommendations for legislative changes to address prohibitions against information sharing between agencies.

Alhambra Unified School District – School Facilities Improvement District (Board Motion – August 5, 2008)

We will pursue County-sponsored legislation to specifically authorize a county Board of Supervisors to form a School Facilities Improvement District in an individual school district.

On August 5, 2008, the Board adopted a resolution to permit the Alhambra Unified School District to form a School Facilities Improvement District and to allow the District to place an elementary school bond measure on the November 2008 ballot. The Board also instructed the Chief Executive Officer to pursue legislation to make it clear that formation of a School Facilities Improvement District does not need to be operative throughout a county and can be limited to individual school districts at the discretion of the Board of Supervisors of any county.

In-Home Supportive Services Fraud Prevention (Board Motion – September 2, 2008)

We will pursue County-sponsored legislation to improve program integrity and prevent fraud in the In-Home Supportive Services (IHSS) Program.

The 2007-08 Los Angeles Grand Jury Final Report included findings and recommendations to reduce fraud in the IHSS program. On September 2, 2008, the Board directed the Chief Executive Officer, in consultation with the Director of Public Social Services, the Acting Chief Information Officers, and the County's Sacramento advocates to report back to the Board on potential strategies, both on a legislative and operational level, to improve program integrity and prevent fraud in the IHSS Program.

New Recommendations for County-Sponsored Legislation

Child Care Recruitment/Retention Incentive Program (Requested by the Office of Child Care)

We will pursue County-sponsored legislation to eliminate the June 30, 2009 sunset date enacted in County-sponsored AB 1285 (Chapter 650, Statutes of 2005) which authorized the County to expand the Child Care Recruitment/Retention Incentive Program to educational stipends for child care providers. This proposal is consistent with Board action to sponsor AB 1285.

AB 212 (Chapter 547, Statutes of 2000), requires the State to appropriate a portion of child care and development funds to improve the retention of qualified child care and development teachers working in centers that contract with the California Department of Education/Child Development Division (CDE/CDD) by providing education stipends. This program is known locally as the Investing in Early Educators Program (IEEP).

In 2005, County-sponsored AB 1285 (Montanez) authorized the County to expand the IEEP to include persons working in licensed family child care homes and child care centers that do not hold CDE contracts. As a result of the expansion, 762 teachers working in non-CDE/CDD-contracted child care centers have participated in IEEP since 2005. However, provisions of AB 1285 will sunset on June 30, 2009. Legislation is needed to remove the sunset date and make the provisions of AB 1285 permanent.

Kin-GAP Funding (Requested by the Department of Children and Family Services)

We will pursue County-sponsored legislation to continue Kin-GAP payments to the relative caretaker when a parent, relative, or party other than the relative caregiver files

a petition to request a visitation or a change in guardianship. This proposal is consistent with existing Board policy to support efforts to enhance legal permanency for children in foster care by enhancing Kin-GAP, and supporting subsidized legal guardianship.

The Kin-GAP Program is intended to enhance family preservation and stability by recognizing that many foster youth are in long-term, stable placements with relatives and that these placements are permanent for the child. A dependent child who has been living with a relative caretaker for at least twelve months may receive a subsidy equal to 100 percent of the foster care rate, approximately \$558 per month, if the relative assumes guardianship. Once Kin-GAP is approved, the dependency is dismissed.

If a parent, relative or other party files a petition for a change in the court orders, Kin GAP is terminated, dependency is re-instated and the matter is calendared for a hearing. The ensuing investigation may continue from 30 days to several months. During this time, the child remains in the home of the guardian; however, the placement is no longer funded unless the relative caretaker applies for CalWORKs or foster care. This creates a serious financial hardship for Kin-GAP children and their families. It also places former dependent children at greater risk when their guardians are left without the financial means to provide for their care. Amending State law to continue Kin-GAP payments through the petition process would ensure that relative caretakers receive the financial support necessary to provide safe and stable homes for former dependent children.

Background Checks for Foster Youth Mentors (Requested by the Department of Children and Family Services)

We will pursue County-sponsored legislation to allow Child Abuse Criminal Index (CACI) background investigations for all potential mentors of foster children and youth. This proposal is consistent with the existing Board policy to support efforts to enhance child safety.

The Department of Children and Family Services indicates that foster youth mentoring candidates currently undergo CACI background investigations only if they provide mentoring services through a Community Care Licensed (CCL) agency and if the mentored youth lives in a CCL facility. It is essential that all agencies that recruit mentors have the ability to conduct complete background checks to ensure the safety of every foster child and youth matched with a mentor.

Uniform Implementation of Electronic Signatures (Requested by the Department of Public Social Services)

We will pursue County co-sponsored legislation with the County Welfare Directors Association to require the State and counties to develop priorities and an implementation plan to incorporate the use of an electronic signature in some or all of the following programs: CalWORKs, Medi-Cal, Food Stamps, In-Home Supportive Services, and Child Welfare Services. This proposal is consistent with existing Board policy to support options to simplify the administration of public assistance organizations.

Current State and Federal law support counties use of electronic signatures in government programs, including social services. An electronic signature is any one of a variety of methods which would allow someone to "sign" in order to access or submit an electronic record. This process could facilitate implementation of on-line applications for human services programs, the electronic submission of documents by recipients of these programs, cost savings and efficiencies in service delivery, and improved access to services.

However, State law does not provide guidelines and standards to implement electronic signatures and the Department of Public Social Services (DPSS) indicates that this situation hinders individual counties' ability to incorporate electronic signatures into their programs because the State maintains authority to later introduce regulations which may require either changing or stopping the electronic signature process a county puts in place. DPSS further indicates that the California Department of Social Services and the California Department of Health Care Services support a "piecemeal" approach to implementing electronic signatures. This could result in a patchwork of different electronic signature and record processes across the State. The State and counties should work together to develop a statewide plan and standards for the use of electronic signatures in social services programs.

Use of Condoms in the Adult Film Industry (Requested by the Commission on HIV)

We will pursue County-sponsored legislation to require the use of condoms by performers in the adult film industry (AFI), require adult film companies to provide and pay for HIV and sexually transmitted disease (STD) testing and vaccination for performers, and require the companies to develop written health and safety programs for performers at film production worksites. This is consistent with the existing policy to support legislation to regulate the adult film industry to decrease the risk of occupationally acquired HIV and other STDs.

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October 31, 2008
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HIV and STD transmission pose a serious threat to public health. Due to the nature of their work, AFI performers are at a significantly higher risk for HIV/STD exposure and transmission than the general public. STDs are common among AFI performers, and can only be identified through vigilant screening, which may detect diseases in the early stages, but it often fails to prevent transmission as occurred in the recent HIV outbreak in the AFI in 2004.

AFI performers often rely on public health care systems when they are sick, HIV or STD-infected. As the largest center for adult film production in the world, Los Angeles County and its health care system have the greatest share of costs and face the greatest consequences resulting from occupationally acquired HIV and other STDs. This proposal would help to ensure the protection of AFI workers, limit the spread of HIV and other STDs, and reduce the impact on our public health care system.

We will keep you advised.

WTF:GK:ML
VE:sb

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations



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December 31, 2008

TO: Supervisor Don Knabe, Chair
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: William T Fujioka
Chief Executive Officer

**SUBJECT: MOTION ON IHSS – CIVIL GRAND JURY RECOMMENDATION
(ITEM NO. 21, OF SEPTEMBER 2, 2008)**

In response to your Board Motion of September 2, 2008, introduced by Supervisor Knabe, I am submitting the first quarterly report concerning the In-Home Supportive Services (IHSS) Program in the Department of Public Social Services (DPSS). This report provides an update on actions taken by the department to implement fraud detection and prevention strategies and to strengthen overall program integrity.

1. A full review of the Advance Payee program.

Based on further review and discussion with our legislative analyst, we will not be pursuing legislative action to terminate this option. This option is allowed under state regulation, and it would be difficult to find support from advocates and other stakeholders to eliminate it, particularly as it is designed for only the most seriously disabled. With only 160 cases out of a total of 179,000 consumers, in Los Angeles County, the department will instead implement a more vigorous monitoring process.

2. Exploration of innovative technology strategies that would streamline the paper-based timesheet payment system.

DPSS explored a document scanning solution to enhance timesheet storage and retrieval. However, based on the current budget shortfall, the expense cannot be justified. The State's new Caseload Management Information Processing System (CMIPS II), scheduled to be fully operational in Los Angeles County by January 2011, will include scanning of provider timesheets. This centralized timesheet processing will replace the decentralized process now existing in counties. In the interim, additional data entry clerks are being assigned to augment processing.

- 3. Convening of a special workgroup, to include the State Department of Social Services, State Department of Health Care Services, the Social Security Administration and the District Attorney, to discuss and make recommendations on strategies to mitigate potential fraud in the IHSS program; and to address any pertinent changes in State regulations to facilitate this.**

As reported in my memo to the Board of Supervisors, dated October 8, 2008, DPSS hosted the first multi-agency "IHSS Fraud Roundtable" on August 26, 2008 with representatives from the California Department of Social Services, California Department of Health Care Services, Social Security Administration, Department of Justice, and the District Attorney. Twenty-nine recommendations were produced from this collaborative effort. All of the partner agencies are evaluating the relative merit of each strategy and have committed to reconvening an implementation workgroup in early 2009.

Finally, the department has strengthened its fraud referral protocols by working closely with the State who has investigative responsibility on all suspected IHSS fraud. Better communication and enhanced collaboration has led to a more integrated approach on this effort and will continue to produce more favorable results.

I will continue to provide your Board with quarterly updates.

WTF:SRH:MS
GP:JB:cvb

c: Executive Officer, Board of supervisors
County Counsel
Department of Public social Services
Auditor-Controller



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June 19, 2009

TO: Supervisor Don Knabe, Chairman
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Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: William T Fujioka
Chief Executive Officer

**SUBJECT: MOTION ON IN HOME SUPPORT SERVICES (IHSS) – CIVIL GRAND JURY
RECOMMENDATION (ITEM NO. 22, OF SEPTEMBER 2, 2008)**

In response to your Board Motion of September 2, 2008, introduced by Supervisor Knabe, I am submitting the quarterly report concerning the IHSS program in the Department of Public Social Services (DPSS). This report provides an update on actions taken by the Department to implement fraud detection and prevention strategies and to strengthen overall program integrity.

1. A full review of the Advance Payee program.

As previously reported, although DPSS will not pursue legislative action to terminate this option, the goal is to closely monitor the monthly IHSS Reconciliation of Advance Payments report to ensure timely reconciliation of advance pay timesheets. We have completed this goal by centralizing the advance pay cases with a designated IHSS Social Worker in each of the eight IHSS district offices. This strengthens our controls and allows close monitoring of the monthly timesheets. There are 145 advance payee cases out of 182,000 cases.

2. Exploration of innovative technology strategies that would streamline the paper-based timesheet payment system.

As previously reported, DPSS explored a document scanning solution to enhance timesheet storage and retrieval. However, based on the current budget shortfall, DPSS determined the expense would not be cost effective at this time. As an alternative, we have added additional data entry clerks to augment timesheet processing until implementation of the new Caseload Management Information Processing System (CMIPS II) in February 2011.

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3. **Convening of a special workgroup, to include the State Department of Social Services, State Department of Health Care Services, Social Security Administration, and the District Attorney, to discuss and make recommendations on strategies to mitigate potential fraud in the IHSS program; to address any pertinent changes in State regulations to facilitate this.**

The California Department of Social Services (CDSS), the California Department of Health Care Services (CDHCS) and the District Attorney's office collaborated with DPSS on achieving the following:

- Developed a focused IHSS Fraud Training Module to be presented to all Social Workers, Supervisors, and Provider Clerks. Target date is June 2009;
- Developed a series of fraud prevention and detection exception reports to identify specific areas of potential fraud;
- Published guidelines to IHSS staff on fraud referral procedures;
- Implemented a fraud referral/tracking reconciliation report; and
- Centralized all DPSS employee/provider cases in each IHSS Region.

In addition, on March 24, 2009, the Senate Human Services Committee convened an oversight hearing to review the progress on CDSS and CDHCS efforts to review IHSS Program Quality Assurance and Administrative issues. Philip Browning, DPSS Department Head, provided testimony at the hearing. Senator Carol Liu, Chair of the Senate Human Services Committee, requested a Los Angeles County briefing and tour in preparation for the hearing.

On February 27, 2009, DPSS hosted a full day briefing on the IHSS Program in general, and the implementation of the IHSS Quality Assurance initiative as mandated by Senate Bill 1104 (Chapter 229, Statutes 2004). State representatives, including Senator Liu, accompanied IHSS Social Worker's on consumer home visits/assessments.

Finally, Los Angeles County has been working with CDSS for two years on revisions to the IHSS Provider Enrollment Form. The new form will include a declaration statement for the provider to sign under penalty of perjury, and a requirement to present original documents for Driver's License or Social Security Card, or other documentation from the Social Security Administration confirming the Social Security Number. The State has committed to an October 2009 implementation.

Unless otherwise directed this will be the last quarterly report.

WTF:SRH:MS
JB:cvb

c: Miguel Santana, Deputy Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Department of Public Social Services